

Coach, Inc.(USD) COH

Last Close \$ \$18.08 **Sales \$Mil** \$1,981 **Mkt Cap \$Mil** \$13,316 **Industry** Luxury Goods **Currency** USD

Coach, Inc., is a marketer of fine accessories and gifts for women and men. Its product offerings include women's and men's bags, accessories, business cases, footwear, wearables, jewelry, sunwear, travel bags, watches and fragrance.

Morningstar Rating **Fair Value** **Fair Value** **Economic Moat** **Style** **Sector**
★★★★ **Uncertainty** **\$60.00** **Narrow** **Mid Core** **Consumer**
 As of 02 14 2014 **High**

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 Website: http://www.coach.com

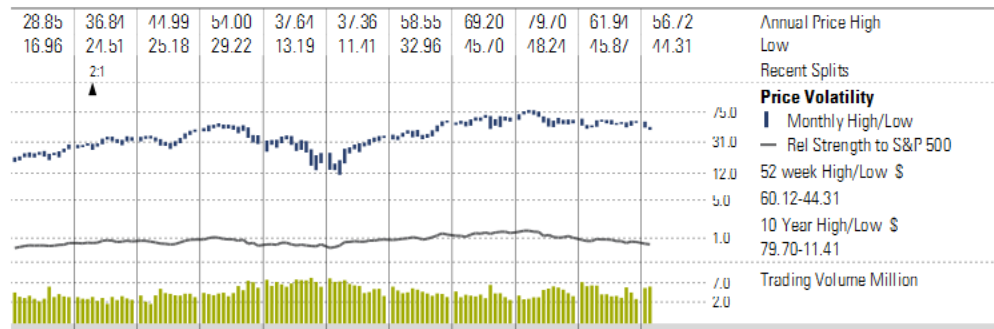
Growth Rates Compound Annual					
Grade: B	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue %	6.6	12.1	9.8	18.2	
Operating Income %	0.8	9.9	5.9	20.1	
Earnings/Share %	2.3	15.8	10.7	21.8	
Dividends %	26.9	48.9	—	—	
Book Value/Share %	22.3	19.0	14.0	22.0	
Stock Total Return	2.5	4.0	30.1	10.5	
+/- Industry	28.0	20.2	13.9	2.1	
+/- Market	21.0	17.7	10.2	3.5	

Profitability Analysis				
Grade: A	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	43.2	49.2	26.8	19.8
Return on Assets %	28.6	31.4	15.9	7.9
Revenue/Employee \$K	289.6	276.7	—	101.3
Fixed Asset Turns	6.9	7.0	7.9	7.1
Inventory Turns	2.7	2.8*	1.4	11.1
Gross Margin %	71.8	72.6	56.1	43.3
Operating Margin %	28.6	31.0	20.0	19.5
Net Margin %	19.6	20.6	13.0	13.9
Free Cash Flow/Rev %	18.4	21.8	—	12.4
R&D/Rev %	—	—	0.0	—

Financial Position (USD)		
Grade: A	06-13 \$Mil	12-13 \$Mil
Cash	1063	568
Inventories	525	553
Receivables	175	229
Current Assets	2071	1788
Fixed Assets	695	748
Intangibles	355	368
Total Assets	3532	3511
Payables	274	135
Short Term Debt	1	0
Current Liabilities	723	703
Long Term Debt	0	0
Total Liabilities	1123	1113
Total Equity	2409	2431

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	14.0	17.8	21.5	17.9
Forward P/E	13.3	—	—	15.6
Price/Cash Flow	11.9	13.9	29.1	10.8
Price/Free Cash Flow	14.9	16.2	71.4	19.7
Dividend Yield %	2.7	1.5	1.1	2.3
Price/Book	5.5	7.8	5.3	2.5
Price/Sales	2.7	3.7	2.8	3.2
PEG Ratio	2.0	—	—	2.1

*3Yr Avg data is displayed in place of 5 Yr Avg



Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	Stock Performance
Annual Price High	28.85	36.81	41.99	51.00	37.61	37.36	58.55	69.20	79.00	61.91	56.72	Annual Price High
Low	16.96	24.51	25.18	29.22	13.19	11.41	32.96	45.70	48.24	45.87	44.31	Low
Recent Splits		2:1										Recent Splits
Price Volatility												Price Volatility
Monthly High/Low												Monthly High/Low
Rel Strength to S&P 500												Rel Strength to S&P 500
52 week High/Low \$												52 week High/Low \$
60-12-44-31												60-12-44-31
10 Year High/Low \$												10 Year High/Low \$
79.70-11.41												79.70-11.41
Trading Volume Million												Trading Volume Million

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TTM	Financials (USD)
Revenue \$Mil	49.0	18.2	28.9	-28.8	-32.1	77.0	52.8	11.9	-7.2	3.5	-14.3	Revenue \$Mil
Gross Margin %	38.1	13.3	13.1	-34.3	4.9	50.5	37.8	9.7	-23.2	-28.9	-14.1	Gross Margin %
Operating Income \$Mil	36.1	6.2	8.1	-9.6	12.4	-11.6	2.6	2.4	-16.3	-32.3	-14.8	Operating Income \$Mil
Operating Margin %						0.6	1.0	1.4	2.0	2.3	2.7	Operating Margin %
Net Income \$Mil	10655	12671	15787	11258	6790	11470	16393	17550	15578	15579	13346	Net Income \$Mil
Earnings Per Share \$												Earnings Per Share \$
Dividends \$						0.08	0.38	0.68	0.98	1.24	1.31	Dividends \$
Shares Mil	386	390	388	377	360	326	316	302	294	286	284	Shares Mil
Book Value Per Share \$	2.61	3.58	4.04	4.30	4.48	5.94	5.87	6.50	7.42	8.76	8.76	Book Value Per Share \$
Oper Cash Flow \$Mil	359	476	597	779	923	809	991	1033	1222	1414	1148	Oper Cash Flow \$Mil
Cap Spending \$Mil	-74	-95	-134	-141	-175	-240	-81	-148	-184	-241	-231	Cap Spending \$Mil
Free Cash Flow \$Mil	286	381	463	638	749	569	910	886	1037	1173	917	Free Cash Flow \$Mil

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TTM	Profitability
Return on Assets %	28.6	29.7	33.0	32.6	33.3	25.9	29.2	34.5	36.2	31.2	28.6	Return on Assets %
Return on Equity %	39.4	39.0	44.0	42.8	46.1	39.1	45.9	56.5	57.6	47.0	43.2	Return on Equity %
Asset Turnover	1.59	1.37	1.36	1.28	1.35	1.34	1.43	1.63	1.66	1.53	1.46	Asset Turnover
Net Margin %	18.0	21.7	24.3	25.4	24.6	19.3	20.4	21.2	21.8	20.4	19.6	Net Margin %
Financial Leverage	1.3	1.3	1.4	1.3	1.5	1.5	1.6	1.6	1.6	1.5	1.5	Financial Leverage

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	12-13	Financial Health (USD)
Long-Term Debt \$Mil	3	3	3	3	3	25	24	23	1	0	0	Long-Term Debt \$Mil
Total Equity \$Mil	782	1056	1189	1910	1490	1696	1505	1613	1993	2409	2431	Total Equity \$Mil
Debt/Equity	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.01	0.00	0.00	0.00	Debt/Equity
Working Capital \$Mil	535	444	633	1332	908	937	774	859	1086	1348	1085	Working Capital \$Mil

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TTM	Valuation
Price/Earnings	33.7	27.8	28.2	16.1	9.5	18.3	20.1	19.1	15.3	16.3	14.0	Price/Earnings
P/E vs. Market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	P/E vs. Market
Price/Sales	7.2	6.7	6.8	3.9	2.2	3.5	4.3	4.1	3.3	3.2	2.7	Price/Sales
Price/Book	10.8	9.3	10.6	7.1	4.6	6.2	9.4	9.4	7.5	6.4	5.5	Price/Book
Price/Cash Flow	20.4	21.5	22.8	13.2	9.5	10.9	17.5	14.2	13.2	13.9	11.9	Price/Cash Flow

Quarterly Results (USD)						
	Mar	Jun	Sep	Dec		
Revenue \$Mil						
Most Recent	1187.0	1222.0	1150.0	1419.0		
Previous	1108.0	1155.0	1161.0	1503.0		
Rev Growth %						
Most Recent	7.1	5.8	0.9	5.6		
Previous	16.7	12.0	10.6	3.8		
Earnings Per Share \$						
Most Recent	0.81	0.78	0.77	1.06		
Previous	0.77	0.86	0.77	1.23		

Close Competitors					
	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%	
LVMH Moet Hennessy Louis Vuitton SA	68506	28832	20.1	13.0	
Hermès International	25099	3660	31.7	35.7	

Major Fund Holders		
		% of shares
Dodge & Cox Stock		3.27
SunAmerica Focused Dividend Strategy A		1.69
Vanguard Total Stock Mkt Idx		1.50